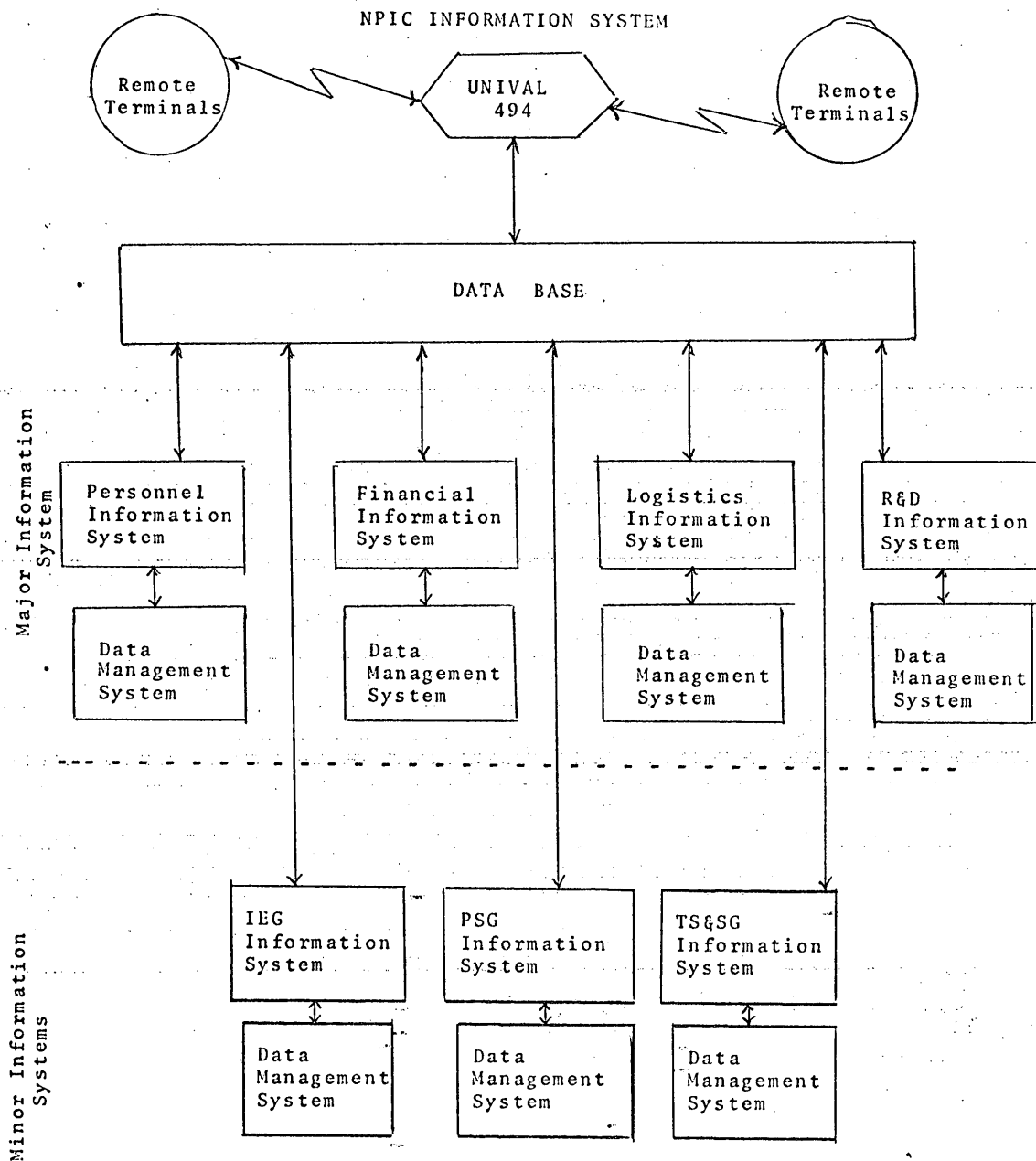


#### CRITERIA OF NPIC INFORMATION SYSTEM

1. Facilitate Planning and Control.
2. Provide Performance Measurement Factors for all Measureable Functions.
3. Provide Information Requirements for Operational Control in all Areas of Management Structure.
4. Provide Information Essential for Development of Advanced Scientific Management Techniques.



Strategic Planning:  
the process of deciding on objectives of the organization, on changes in the objectives, on the gross resources used to attain these objectives, and on policies that are to govern the acquisition and use of these resources.

RESPONSIBILITY MATRIX (✓)

	O/DIR	PB&BS	Groups	Divisions	Branches
IDENTIFICATION of a possible problem or opportunity	✓	✓	✓	✓	✓
ANALYSIS of the Situation		✓	✓	✓	✓
DEFINITION of Possible course of Action		✓	✓	✓	
EVALUATION of a Possible course of Action		✓	✓		
SELECTION of Action to be taken	✓				

INFORMATION SYSTEMS REQUIRED

1. Personnel Information System
2. Financial Information System
3. Logistics Information System
4. R&D Information System

Management Control:

the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives. It combines both planning and control within the context of objectives and policies determined in the strategic planning process; effectiveness and efficiency are the criteria relevant for judging actions.

RESPONSIBILITY MATRIX (✓)

	O/DIR	PP&BS	Groups	Divisions	Branches
IDENTIFICATION of a possible problem or opportunity			✓	✓	✓
ANALYSIS of the situation			✓	✓	✓
DEFINITION of Possible course of Action			✓		
EVALUATION of a Possible course of Action		✓	✓		
SELECTION of Action to be Taken	✓		✓		

INFORMATION SYSTEMS REQUIRED

1. Personnel Information System
2. Financial Information System
3. Logistics Information System
4. R&D Information System
5. Group Information System

Operational Control:

the process of assuring that specific tasks are carried out efficiently and effectively; emphasis is upon execution of tasks.

RESPONSIBILITY MATRIX (✓)

	O/DIR	PP&BS	Groups	Divisions	Branches
IDENTIFICATION of a possible problem or opportunity			✓	✓	✓
ANALYSIS of the Situation				✓	✓
DEFINITION of Possible course of action				✓	✓
EVALUATION of a Possible course of action				✓	
SELECTION of Action to be Taken			✓		

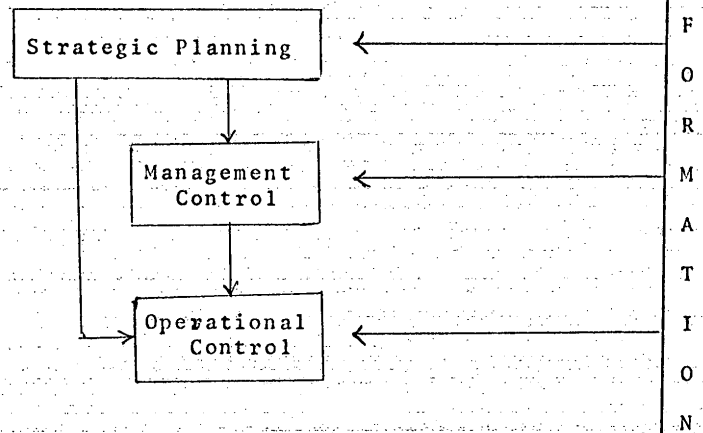
INFORMATION SYSTEMS REQUIRED  
1. Group Information System

EXAMPLES OF ACTIVITIES IN A BUSINESS ORGANIZATIONINCLUDED IN MAJOR FRAMEWORK HEADINGS

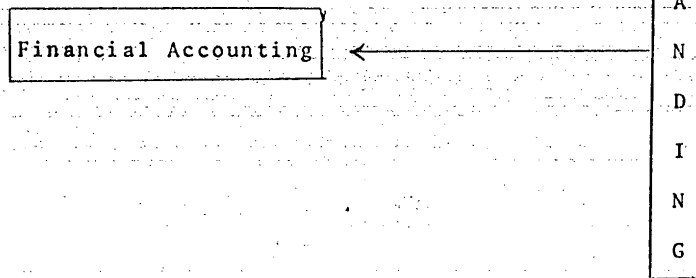
<u>Strategic Planning</u>	<u>Management Control</u>	<u>Operational Control</u>
Choosing company objectives	Formulating Budgets	
Planning the organization	Planning staff levels	Controlling hiring
Setting personnel policies	Formulating personnel practices	Implementing policies
Setting financial policies	Working capital planning	Controlling credit
Setting marketing policies	Formulating advertising programs	Controlling placement of advertisements
Setting research policies	Deciding on research projects	
Choosing new product lines	Choosing product improvements	
Acquiring a new division	Deciding on plant rearrangement	Scheduling production
Deciding on non-routine capital expenditures	Deciding on routine capital expenditures	
	Formulating decision rules for operational control	Controlling inventory
	Measuring, appraising, and improving management performance	Measuring, appraising, and improving worker's efficiency

# PLANNING AND CONTROL PROCESSES IN ORGANIZATIONS

## Internally Oriented Processes



## Externally Oriented Process



SOME DISTINCTIONS BETWEEN STRATEGIC PLANNING  
AND MANAGEMENT CONTROL

<u>Characteristic</u>	<u>Strategic Planning</u>	<u>Management Control</u>
Focus of plans	On one aspect at a time	On whole organization
Complexities	Many variables	Less complex
Degree of structure	Unstructured and irregular; each problem different	Rhythmic; prescribed procedures
Nature of information	Tailor made for the problem; more external and predictive; less accurate	Integrated; more internal and historical; more accurate
Communication of information	Relatively simple	Relatively difficult
Purpose of estimates	Show expected results	Lead to desired results
Persons primarily involved	Staff and top management	Line and top management
Number of persons involved	Small	Large
Mental activity	Creative; analytical	Administrative; persuasive
Source discipline	Economics	Social psychology
Planning and control	Planning dominant, but some control	Emphasis on both planning and control
Time horizon	Tends to be long	Tends to be short
End result	Policies and precedents	Action within policies and precedents
Appraisal of the job done	Extremely difficult	Much less difficult



SOME DISTINCTIONS BETWEEN MANAGEMENT CONTROL  
AND OPERATIONAL CONTROL

<u>Characteristics</u>	<u>Management Control</u>	<u>Operational Control</u>
Focus of activity	Whole operation	Single task or transaction
Judgment	Relatively much; Subjective decisions	Relatively little; reliance on rules
Nature of structure	Psychological	Rational
Nature of information	Integrated; financial data throughout; ap- proximately acceptable; future and historical	Tailormade to the operation; often non- financial; precise; often in real time
Persons primarily involved	Management	Supervisors (or none)
Mental Activity	Administrative; persuasive	Follow directions (or none)
Source discipline	Social psychology	Economics; physical
Time horizon	Weeks, months, years	Day-to-day
Type of costs	Managed	Engineered